Annex "A," Subparagraph 1c, Sociological Background

SETTLEMENT PATTERNS

161 Hungary is one of Europe's more densely populated countries and the most densely populated one in Central and Eastern Europe. The 1954 figures show a density of 271.6 per square mile against the European mean of 209.6 per square mile and the US mean of 49.1. Hungary's population density, for instance, is 150 per cent higher than Indiana's 108.7.

361 Settlement patterns in Hungary are quite varied and even more so are the settlement patterns of historic Hungary, where the geographical conditions were even more diversified than in the predominantly flat Hungary of today. The range of settlement patterns follows sometimes the topographical, sometimes the ethnic boundaries.

The majority of Magyars live in small, primarily agricultural, towns and villages. The overwhelmingly predominant settlement pattern of these rural areas is of the close variety; but, in an ever decreasing number, however, open settlements may also be found. These latter occur either as individual settlements (tanya) or loosely grouped settlements (szer).

744 assumed that by now about one-fourth of the rural population has access to such health centers.

[645] Contemporary health regulation in Hungary is centralized within and directed by the Ministry of Health established in 1951. This agency reports in 1955 that during its four years it has increased the network of local health agencies by over 50 per cent; this is certainly an exaggeration. The evaluation of health data furnished by the Communist government is becomming increasingly difficult, since only percentages and indices have been published and never actual statistics.

165 In 1930 the percentage of infant mortality was 15.8 and, in 1938, 13.1 per cent. The death rate was as follows in the pre-war period:

Year	Deaths per mille
1925	19.9
1938	14.4
1941	14.1

161 In 1951 a mortality rate of 8.4 per cent was claimed. This is still higher than the Western European average. Communist estimates also gave a natural population increase of 7.8 per 1000 in 1951 as compared to 5.7 in 1938. These figures seem to be acceptable.

1: Indiana U. E-4 1955 EC1 Hungary EC1

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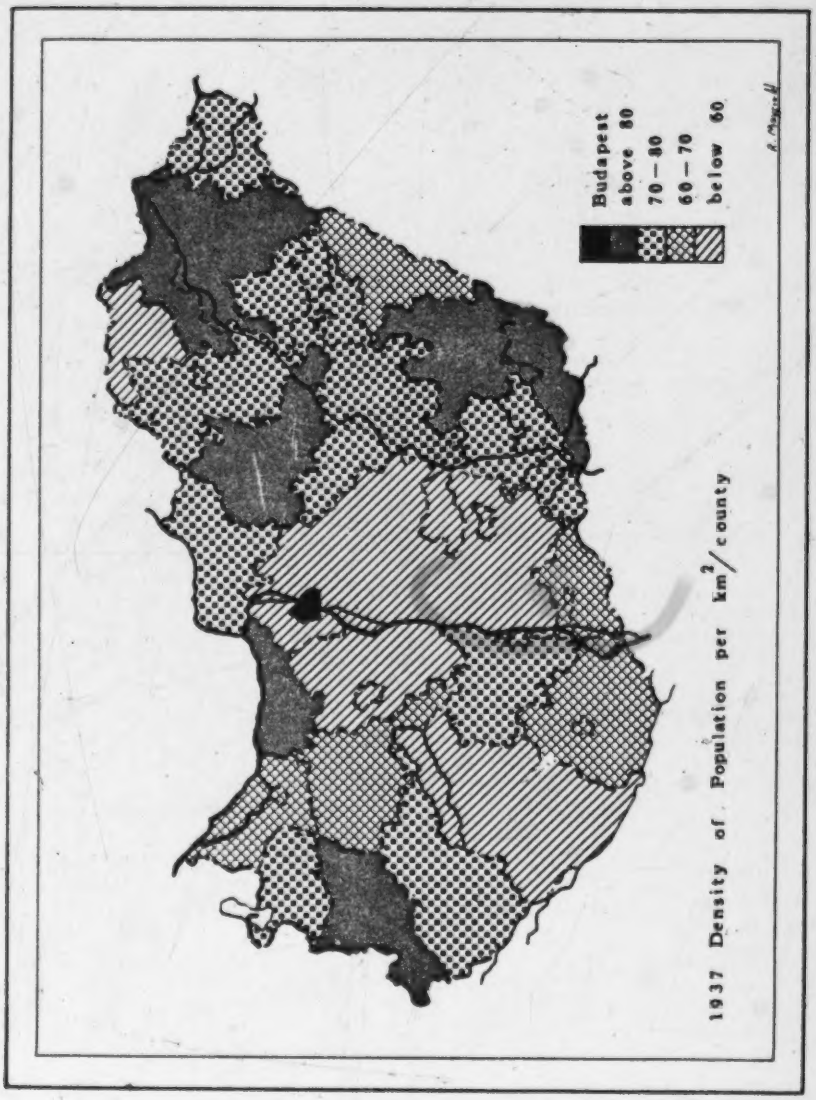

3:Kemeny G-5 (1945-48)1952 EC1 Hungary EC1

Hungary shared the lot of other countries in South-eastern Europe in that surplus agrarian population was a fundamental feature of her economic and social life. The density of agricultural population, as measured by the number of people dependent on agriculture per square kilometre of arable land equivalent, was 63·1 in Hungary against 28·18 in France and 33·9 in Great Britain.[1] As the countries with low areas per cultivator generally also have low yields per acre, agriculture was unable to provide economic employment for a population of that density. The situation was greatly aggravated by the uneven distribution of land. Large units of over 700 acres comprised almost one-third of the whole agricultural area. The big and very big estates—quite a number of them extending to 7,000 acres and more—were the main suppliers of the grain surplus of the country. The preponderance of grain growing implied, however, a relatively low demand for hands per acre cultivated. According to expert opinion the under-employment of the population engaged in agriculture amounted to about 25 per cent.

During the inter-war period industry was able to absorb but a fraction of the excess man-power at the then rate of progress of industrialization. There resulted a constant pressure of supply on the labour market, and an income distribution correspondingly unfavourable to the wage-earners.

Employers in industry took advantage of the low wage-level and of the fact that Hungarian workers readily adapt themselves to industrial work and acquire the technical skill needed in different branches of manufacture. The old-established Hungarian industries, like engineering and food processing, laboured under the disadvantage of having been established to meet the needs of the larger national market which had been secured to them until the disruption of the Habsburg Monarchy. Different branches of engineering had supplied Greater Hungary with railway material, agricultural machinery, and certain kinds of industrial equipment, while food processing industries, in particular, flour mills, had been suppliers of the whole Monarchy. These industries, reluctant to face realities, had to suffer a protracted process of adaptation.

On the other hand new industries, favoured by the change of circumstances, developed. The expansion in the textile, electrical, and chemical industries was the most remarkable. On the whole, the new enterprises recorded good results both in

[1] Wilbert E. Moore, *Economic Demography of Eastern and Southern Europe* (Geneva, League of Nations, 1945), pp. 197–201; the arable land equivalent is calculated according to the following proportions: arable land, 100; orchard and garden lands, 300; meadows, 40; and pastures, 20.

3:Kemeny G-5 (1945-48)1952 EC1 Hungary EC1

464 the fact that in the course of seven years the number of the working population increased by some 200 thousand seems to indicate, even after taking account of possible extension of employment in professions outside industry, an agricultural man-power reserve of 360 to 400 thousand and a total unutilized reserve of 400 to 440 thousand if industrial unemployment is included.

The estimate of 400 to 440 thousand is practically applicable to the year 1938, with an employment of 330 thousand in mining and manufactures. That year, being accepted in the Report of the National Planning Department as representative for pre-war conditions, can be appropriately used as the base year in estimating the extent of the man-power reserves to be absorbed.[1]

There is still the question whether it is justifiable to accept pre-war estimates of man-power reserves when seeking to measure the scale of utilization of these reserves under the Plan. [161] Total population, numbering 9·20 million by the end of 1948, was slightly greater than that of 1938 (9·10 million). The war and its aftermath, together with the massacre of Jews, approximately offset the natural growth of the population during a decade. None the less shifts possibly occurred in the number of actively employable persons. The demand for labour in agriculture must have been, in particular, influenced by post-war conditions. Shortage of technical equipment and the urgent need of constructing accommodation on the newly-formed holdings were bound to create an extra demand for hands during the early post-war period. This extra demand had presumably begun to subside by the time the Plan started. Later on the progress of mechanization (establishment of tractor stations) and the improved supply of labour-saving equipment might have diminished the demand for labour. But the impact of the sub-

[1] In this context the question might be raised, is it justified to regard conditions in 1938 as representative, and, therefore, to choose this year as a basic period. In defining the economic position in this year the following facts have to be considered. Subsequent to the world economic crisis the turn of the tide was dated in Hungary from 1934. The upward trend gathered momentum during the years 1935–7, industrial employment showing higher records by the end of this period than during the boom of the twenties. The upward movement flattened out and the curve even declined, in some industries, during the first half of 1938. Yet the effects of a gradual downward swing of the business cycle were offset by the impulses emanating from the armament and public-works programme launched in the second half of the year. The support given to the domestic market by public orders also cushioned the repercussions of a decline in exports caused by the slackening of international markets. Though at the time conditions appeared unsettled because of political crises, employment during the whole of 1938 was maintained. In the light of statistical evidence a state of affairs prevailing in 1938, according to Hungarian standards of the inter-war period, was regarded as fairly 'normal', though, of course, nothing like a full utilization of resources had been approached.

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161 This trend ? was aggravated by the fact
458 that Hungary was such a densely populated state. The
241 density of her population amounted to almost 100 people per square kilometre. Due to the low agricultural prices prevailing generally in the world, to the keen foreign competition and to her dependence upon the exportation of raw products it was almost impossible adequately to maintain the agrarian population by the cultivation of the soil.

728 While her old Austro-Hungarian market of 58 million
439 people was reduced to a market of 7·5 million, she was
652 burdened in addition with large foreign debts which could only be paid by agricultural exports. Owing to political considerations, the surrounding countries, instead of absorbing the Hungarian surplus products, boycotted her during the early post-war years. Added to this, the economic and other restrictions of the peace treaty made it impossible for Hungary to pursue an independent economic policy serving the true needs of the country. Not until eight years after the end of the first world war was the Government able to introduce an economic policy (industrialization, protective tariff system etc.) which could meet the challenge of the density of population and prevailing unemployment.

728 The difficulties of the post-war years were aggravated
464 by the existence within her borders of hundreds of thousands of refugees from former Hungarian territory. Our educated classes had grown numerically so great that it was practically impossible to find places for everyone in
652 the administration and economic systems. Millions had
185 to be spent on measures serving solely charitable purposes out of the proceeds of production and out of greatly decreased state receipts, which fell off as a result of the effects of the war. Therefore, for the first few years, no

? [i.e., a reversion to more primitive conditions -- Analyst]

camps and by supplying clothing and shoes to the needy members. As all young men are members it is the most wide-spread organization in the country both from a national defence and social welfare standpoint.

III. AGRARIAN SOCIAL POLICY.

In the first decade following the Treaty of Trianon social conditions in the rural districts deteriorated in consequence of the changed economic structure of the country, which was aggravated by the following conditions. The supply of labourers far exceeded the demands made by diversified farming, the apportionment of the land in certain districts was very unequal, the distribution of the rural population varied greatly and the ranks of the rural proletariat were enormously increased.

Fifty-two per cent. of the Hungarian population is engaged in farming. Two thirds of this number (3 million including their families), were farm labourers and small farmers who had to supplement their meagre incomes by working for wages on larger farms. The density of the rural population was 59 persons per square kilometre, twice as much as the density of the Danish and French rural population and decidedly more than that of Germany. It goes without saying that the density of the agrarian population in Eastern Europe is much less than in Hungary.

In a less accentuated form the agrarian problems of present-day Hungary are the same, since the re-occupation of former Hungarian territories hardly altered the situation. The land reforms carried out by the Succession